

14 APR 1970

MEMORANDUM FOR: Chief, Plans and Analysis Division

SUBJECT : Notes on Competitive Service Employment Opportunities  
Under a Special Employment Authority for CIA Employees

1. Within this Agency, the subject of Personnel Interchange Agreements has been discussed for the last 10 or 12 years as if such an agreement would result in permitting an uncontrolled interchange of Federal employees from an "excepted service" organization into "competitive service" organizations (and vice versa). The thinking has been either on a one for one basis (as a minimum) or, even worse, having the CSC direct this Agency to accept an undetermined quota of personnel who may have been declared "surplus" by other Federal agencies. Under this type of agreement there is no interchange, per se, of employees between systems. Rather it is the granting of non-competitive transfer rights to individuals to move to organizations under the Civil Service MERIT system because the USCSC has determined that an agency's merit system is like the CSC's. Such transfers must also be initiated by individuals (rather than by organizations) personally seeking employment opportunities in an organization under the competitive Civil Service. Interestingly enough transfers of Civil Service employees into the "excepted service" organizations have no legal or competitive administrative barriers other than those an excepted agency might establish as part of its own merit system. (In the Federal sector, there are two general types of merit systems. The largest and oldest is the Civil Service competitive system -- covering 95% of all Federal employees -- which operates under stringent legal and administrative safeguards established to guarantee equal employment opportunities for all US citizens as well as some preferential initial employment treatment for wartime veterans graduated according to whether the veterans were disabled or not. In order to meet "emergency" or unusual program conditions arising during wartime or other critical periods (or sometimes for sound administrative considerations), a number of agencies have been exempted or excepted by the Congress or the USCSC from competitive service requirements.) Even in 1970, we find that there still are a small number of "excepted" agencies, i.e., AEC, TVA, Panama Canal Company, Foreign Service, CIA, NSA, etc., which still operate under fewer controls than competitive service organizations. During the last 12 to 15 years, individual "excepted Service" agencies have had to decide whether or not it would be beneficial to the organization itself as well as to its employees if it negotiated a Personnel Interchange Agreement with the USCSC in order to provide a simple, direct means for their employees to enter the more rigidly controlled (at time of entry)

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competitive service. During the past decade nearly every excepted agency has decided affirmatively to secure this type of agreement. Most have worked out a formal agreement directly with the USCSC while a few have arranged for an Executive Order, especially in those cases where an agency could not administratively meet USCSC requirements, for example, the Foreign Service does not and would not agree to recognizing veterans preference.

2. If after policy deliberations, Agency management would decide that it would be worthwhile to seek a Personnel Interchange Agreement, the only approach would be to seek an Executive Order on the basis that because of the nature of the mission of this Agency, its merit system has to differ from the CSC system. Such an approach would be above board and officials of both the CSC and the BOB would be receptive to this approach. Granted this approach is political but it addresses the problem to the President, who has the authority to approve this request. At the same time it places the USCSC in a subordinate advisory role which would be a much better arrangement for us since we already know that the CSC does not have the authority to approve those Personnel Interchange Agreements for agencies which do not conform fully with competitive service entrance requirements.

3. What will having a Personnel Interchange Agreement do for the CIA?

a. It will provide a simple transfer agreement for current (and former) employees to move from our "excepted service" positions into "competitive service" positions for which they were qualified. (The full significance of having this agreement would be appreciated most if the Agency were to surplus a large number of individuals who wished to continue working for the Government.) These inter-agency personnel movements would be handled in the same manner as a transfer of an individual moving from one competitive position to another, without examination barriers. Certainly mature administrative and personnel judgments will still have to be made as to the candidate's qualifications, etc.

b. It will provide a means for Agency officers to leave the Agency, for other Federal employment, when they (or management) decide it to be to their own best interests to do so.

c. From a progressive personnel management standpoint it should be noted that if the Agency secures such an agreement, it would be the first U.S. intelligence organization to have done so.

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4. As the Agency matures, its career management philosophy should become more expansive, flexible, and responsive to changes in the administrative environment. Up to now, the career management philosophy of this Agency has been predicated upon maintaining a healthy organization by insuring that it has a sufficient reservoir of well-qualified manpower. Little thought has been given to terminal problems that might be facing Agency personnel who should move into other Federal programs for the good of both the individual as well as the Agency. This was one of the basic precepts of the original Agency outplacement program. With manpower reductions about to take place, management should be particularly interested in identifying those careerists who may fall somewhat below in performance, growth potential and sustained Agency career interests. Furthermore, a review should be made of the adequacy of the various means the Agency (or officer) has to assist him in moving out of the organization. In other words, what "avenues of escape" (other than outright resignation or retirement) from the CIA organizational life, does the Agency provide for those who may have "peaked out," been declared surplus, or become disenchanted with an intelligence career? At present, the only way out for officers, regardless of seniority is to resign or retire (if eligible). The junior officer accepts the resignation route, since he has little time invested, and considers that as a reasonable expedient to accomplish his personal objective of changing career goals. Agency personnel counseling experience, on the other hand, has shown that the longer an officer remains with this Federal organization (with its retirement and other fringe benefits) the more "locked-in" he becomes. This personal philosophy becomes readily apparent as the officer reached the point when he nears 40 years of age and he has 12 or more years' invested in one of the two Agency retirement plans. Resolution of this dilemma is accomplished in various ways. Certainly, it has remained a hidden cost to the Agency in those cases where the employee dies in the job. Furthermore, neither quantitative nor qualitative analysis can successfully ascertain to what extent the organization may already be harmed. One approach might well be to review the Agency stability index findings. This Agency has probably one of the highest stability indexes in the Federal Government. (SI = number of years in grade). For example, probably every career service has officers at GS-12 and above who have remained in grade for more than 10 years. While one can maintain that it is from this group that we achieve our high degree of competence, we should also wonder how many of these individuals have really become complacent and reconciled to their organizational lot? Granted that the Agency's early retirement plans might take care of some, it remains incumbent upon Agency management to provide alternate means (to resignation or retirement) to Agency officers who would like to (and should) direct their careers into other Federal programs. Undoubtedly, in time, this group would not only include surplus personnel, "peak-outs," and disenchanted but also highly competent officers who should seek other, broader based Federal careers. Otherwise, the Agency could ultimately find itself in a position where it could be found guilty of underutilizing some of its manpower assets. Perhaps that time is already upon us.

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5. What is the alternative to seeking a personnel transfer arrangement for CIA employees? The quick, unreasoned answer might well be "do nothing" as the Agency has done for the last 14 years. However there have been a number of internal and external developments that should be considered before such a decision is reaffirmed. Two internal factors:

a. the urgency of establishing means (or insuring that present means are adequate) of channeling Agency excess manpower to other Federal and private employment opportunities; and

b. taking all administrative measures necessary and reasonable to assure that not only the affected group of Agency officers but that all other careerists will feel confident that indeed such steps had been taken by management. Of singular significance to high employee morale.

6. The Agency's external employment counseling experience during the last 12 years will definitely support the proposition that many of the Agency's to-be-surplused officers will be interested in other Federal employment opportunities. Unfortunately, conditions are different today (than during 1962-63) because there will be practically no Federal employment opportunities for surplused, non-status CIA employees unless a personnel transfer arrangement (E.O.) is consummated immediately.

a. Heretofore, the CSC examination process was a reasonable means used successfully by some Agency officers to be certified for other Federal employment. Even under the best of circumstances, several months lead time was required by an individual to submit his papers, have the CSC secure employment references, rate the individual and ultimately certify him for employment to another Federal agency. However, the placement of an Agency employee was sometimes unsuccessful because of the number of 10-point veterans on a specific examination register who had to be placed before either a 5-point veteran or non-veteran could be certified. Although this information is usually kept confidential, an Agency representative did ascertain, at one time, that there were 140 ten-point veterans on the CSC GS-13 Supply Officer examination register which meant that unless our Agency candidate was a disabled veteran (this group is considered as a "pool" and anyone of the best qualified ten-pointers can be certified, not necessarily the one that might have the highest score) he could not be reached without a chance of a Congressional investigation. In any case, the CSC examination route was the only means a CIA officer had available if he wanted other Federal employment. Effective or not, this still remains the only way for a CIA employee to transfer into another competitive service Federal agency.

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b. Now with Defense making large personnel reductions, the CSC, in carrying out a Federal-wide competitive career service concept (announced several years ago by Mr. Macy), has decided to permit any displaced career employee, who desires to do so, to have his name entered at the top of each examination register for which he can qualify. Since they are Federal careerists, they must be certified (and placed) before any candidate's name on the examination registers can come up for consideration. This opportunity is not available to CIA "surplused" officers and, furthermore, it definitely reduces the potential for CIA officers to secure Federal employment via the examination process unless they possess qualifications in one of the scarce categories.

c. The Department of Defense is also establishing internal controls such as its in-house "stoppler" system which curtails external recruitment until after a comprehensive review has been made of the qualifications of all surplused DOD employees.

7. While all of the foregoing paints a rather dismal picture, a fairly recent change in the Federal Merit Promotion Program (as a result of increased emphasis on equal employment opportunities in the Federal sector) could work to the benefit of Agency employees once the Agency has secured an interchange arrangement. As of 1 July 1969, all competitive service agencies were required to take such steps as were necessary to insure that at least 3 well qualified candidates were considered in filling all position vacancies (both promotions and new appointments). No longer can an agency fill a position vacancy by internal promotion of the best single candidate. In many cases, an Agency does not have 3 well qualified candidates on board and must consider external candidates. Under this policy, then, it is conceivable that CIA candidates would be able to get more consideration for position vacancies than before, especially in smaller Federal agencies.

8. Not to be overlooked is the interest constantly displayed by USCSC officials in encouraging this Agency to seek a personnel interchange agreement. From the Agency standpoint, it has everything to gain and nothing to lose. A recent check, on this point, with a State Department officer revealed that it really did not give up anything. Although they do not maintain records on transfers, this State official verified that many more FSO's and FSS's had transferred out of the Department than and CSC careerists had transferred in. Furthermore, the Department of State still requires all CSC candidates (pretty much limited to clericals entering the FSS) to:

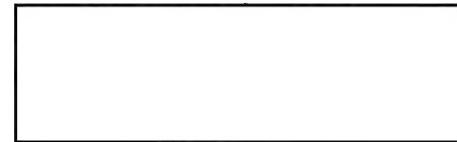
meet Department's security standards  
meet Department's medical and mental standards  
take skill tests as appropriate  
take the FSO written test as required by the Foreign Service Act  
meet US citizenship requirements  
to accept the fact that veterans preference was not recognized.

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9. During the final negotiations between the CSC and State on the interchange arrangement, the CSC representative, reviewing the transfer benefits to be given to State personnel, suggested that the Department should quid pro quo. It was finally agreed that the Department would grant CSC careerists month-for-month credit for service completed to be applied to the FSS's 30-month probationary period. (FSO's are not required to serve a probationary period.) This was it.



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